

Are you ready to own a new home in Southside?

Are you ready to buy a home of your own?

Most Americans build wealth for their families by owning their own homes.

If you have the employment and credit histories to qualify for a first mortgage, there is a tremendous opportunity right now to purchase a brand new home in the Southside neighborhood; even for households with moderate incomes!

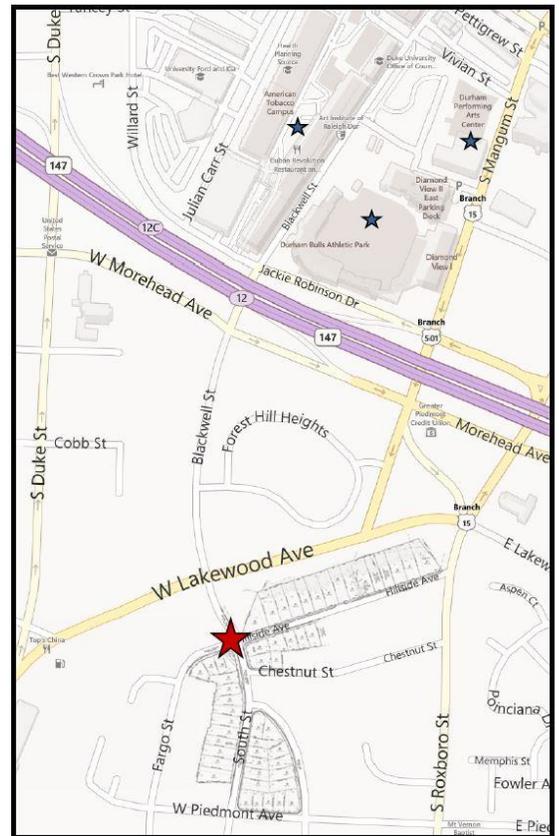
What is moderate-income?

Forty-eight bungalow style homes are being built in Southside, and at least twenty-five of those homes are reserved for households with incomes generally in the \$32,000 to \$60,000 range, depending on household size.

To qualify, household income must be at or below 80% of the Area Median Income based on your family size. *See the AMI chart below.*

What makes this such a good opportunity?

The City of Durham and North Carolina Housing Finance Agency are going to help you with the purchase of your home with special financing programs exclusive to the Southside community!



Family Size	1	2	3	4	5	6	7	8
80% AMI	\$36,800	\$42,050	\$47,300	\$52,550	\$56,800	\$61,000	\$65,200	\$69,400

If you have a moderate household income, how can you afford a home in this price range?

Your first step will be to qualify for a first mortgage through a participating lender. However, your first mortgage amount will be significantly less than the purchase price of the home, and the programs available through the City of Durham and NCHFA will help you make up the difference.

- The City of Durham helps with both low interest and forgivable loans AND
- The North Carolina Housing Finance Agency offers a 0% deferred loan to make these homes affordable

The programs combine for a total of up to \$58,000 in additional purchasing power above your first mortgage!*

- Borrowers earning up to \$85,000 may qualify for up to 3% of the first mortgage loan amount for closing costs.

**see reverse for more details on financing programs*



Image of comparable home

To view the floor plans and house styles of homes selling in the \$162,470 to \$192,275 range, go to the builder's websites below. Realtors working with the builders will refer you to a participating lender to **pre-qualify** you for a first mortgage.

www.RobySouthsideHomes.com

or

www.bWallaceAtSouthside.com



Examples of how mortgages are made affordable for moderate-income households:

Example 'A' - \$33,000 Annual Income Family Size of 1 or More

Household with \$33,000 annual income

\$2,750.00 Monthly Income

\$880.00 Maximum Housing Payment
32% of monthly income

\$1,100.00 Maximum Total Debt
includes mortgage, car loan, credit card payments, student loans, etc.

New Home Purchase Price **\$162,000.00**

First Mortgage at 4.5%	\$97,700.00
Second Mortgage at 2%	\$20,000.00
Forgivable Mortgage	\$20,000.00
NCHFA Deferred Mortgage	<u>\$24,300.00</u>
TOTAL PURCHASE PRICE	\$162,000.00

Monthly Housing Payment

First Mortgage Payment	\$495.00
Second Mortgage Payment	\$74.00
HOA Dues	\$20.00
Taxes & Insurance	<u>\$250.00</u>
Total Housing Payment	\$839.00

In this example, the buyer is able to keep the total housing payment below the maximum allowable payment and is able to buy a \$162,000 home for \$839 per month. This family's total debt could not exceed the maximum \$1,100 total debt calculation above.

Example 'B' - \$58,000 Annual Income Family Size of 5 or More

Household with \$60,000 annual income

\$4,833.00 Monthly Income

\$1,546.00 Maximum Housing Payment
32% of monthly income

\$1,933.00 Maximum Total Debt
includes mortgage, car loan, credit card payments, student loans, etc.

New Home Purchase Price **\$192,275.00**

First Mortgage at 4.5%	\$123,434.00
Second Mortgage at 2%	\$20,000.00
Forgivable Mortgage	\$20,000.00
NCHFA Deferred Mortgage	<u>\$28,841.00</u>
TOTAL PURCHASE PRICE	\$192,275.00

Monthly Housing Payment

First Mortgage Payment	\$625.00
Second Mortgage Payment	\$74.00
HOA Dues	\$20.00
Taxes & Insurance	<u>\$280.00</u>
Total Housing Payment	\$999.00

In this example, the buyer is well below the maximum allowable housing payment with a payment of just \$999 per month. This buyer has more allowance for total debt when the mortgage payment and other debts are combined.

Purchasers are required to have at least \$1,000 of their own funds to apply for a mortgage through the North Carolina Housing Finance Agency. Additional savings towards a down payment would lower your first mortgage payments. Borrowers needing help with closing costs may be eligible for 3% of the first mortgage amount as a forgivable grant through the North Carolina Housing Finance Agency.



The sales prices of these new homes are below comparable newly built homes in the region.